



**AUSTIN CITY COUNCIL
MINUTES**

**SPECIAL WORK SESSION MEETING
THURSDAY, APRIL 19, 2012**

The City Council of Austin, Texas convened in a Special Called Meeting on Thursday, April 19, 2012, City Hall at 301 W. Second Street, Austin, Texas.

Council Member Spelman called the meeting to order at 10:10 a.m. Mayor Leffingwell, Mayor Pro Tem Cole and Council Member Martinez were absent.

The motion to recess the meeting in anticipation of the arrival of Council Member Martinez passed on a Council Member Morrison's motion, Council Member Tovo's second on a 4-0 vote.

Council Member Spelman called the meeting back to order at 10:45 a.m. Mayor Leffingwell, Mayor Pro Tem Cole and Council Member Martinez were absent.

1. Discuss cost-of-service methodologies for allocating costs among customer classes in setting Austin Energy electric rates.
The presentations were made by Larry Weis, General Manager; Ann Little, Vice President of Finance and Corporate Services; and Bob Dailey, Utility Regulatory Planner. Also present to respond to Council questions was Paul L. Chernick, President of Resource Insight Inc. – the Consumer Advocate. Staff was directed to come up with a weighted average of the energy cost and peak cost allocated among the customer classes already identified to determine the average bill, total cost or some other appropriate comparison.
2. Discussion and possible action regarding amendments to the rate work session schedule and topics.
The motion to make the following changes to the schedule and topics was approved on Council Member Tovo's motion, Council Member Morrison's second on a 7-0 vote.

Session 7 will be Monday, April 23, 2012 from 9:00 to Noon in the Council Chambers. It will include the following topics:

- Other Related Issues Concerning Revenue Requirements
- Review Austin Energy's 2011 Audited Finances
- Off-system Sales in a Nodal Market
- (Dis)connection Fees and Charges
- Potential Preliminary Council Action on Issues from Sessions 1-6
- Fixed Charges and Alternatives, Including Revenue Regulation
- Inverted Block Structure
- Bundled Plan for Low-Use Customers
- Fuel Charge (Components and Calculations)

Session 8 will be on Tuesday, April 24, 2012 from 2:00 to 4:00 p.m. The topics will include:

- Items left over from Session 7

- Consideration of Rates for Specific Types of Customers (Faith Community/Nonprofit Organizations, School Districts, Industrial Users and Out of City Ratepayers)
- Distributed Solar Goals
- Energy Efficiency Goals
- Customer Assistance Program Goal (Depth and Breadth)

The motion to have the Chambers set up so Council is meeting in a U-shape configuration on the floor and not on the dais was approved on Council Member Tovo's motion, Council Member Morrison's second on a 4-0 vote.

Council Member Spelman adjourned the Council Meeting at 12:36p.m. without objection.

The minutes for the Austin Energy work session of April 19, 2012 were approved on this the 24th day of May 2012 on Council Member Morrison's motion, Council Member Spelman's second on a 7-0 vote